

Water trading in the Eastern Mount Lofty Ranges

May 2018



Water in the Eastern Mount Lofty Ranges (EMLR) is precious, enabling our livelihoods, lifestyles and landscapes to thrive. Water licensing together with the water allocation plan supports the important food, fibre and wine production of the EMLR while ensuring that water resources remain viable in to the future.

In the EMLR, all water from groundwater, surface (dam) water and watercourse water sources that is used for any purpose other than stock and domestic use and other exempted purposes such as firefighting, requires a licence and allocation.

A water licence is a personal asset that is separate from the land and can be sold or traded to others.

Granting new allocations is currently restricted, however an allocation can be acquired by trading (transferring) from someone with an existing licence and allocation.

What is water trade?

Water trading is the buying or selling of a water licence and/or allocation, usually in return for a monetary payment.

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Trade can be undertaken on a permanent or temporary basis, and a licensee may seek to trade all or only part of their water allocation.

A trade can be a change in ownership of the licence and/or allocation only, for example along with sale of a property. Trade can also be a change in the location that water is taken along with a change in ownership of the allocation. Trade is not where water is moved physically from one property to another, for example through a pipe.

What are the benefits of water trade?

Selling water to another landholder may provide income and possibly a reduction in the annual water levy.

Purchase of water from another licensee may allow new businesses to establish or existing businesses to expand.

Purchase of water from another licensee may also allow flexibility in water use, including using water from a different resource type (e.g. bore water instead of dam water) or using more water in a dry season. If water needs are greater than can be supported by the current



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allocation, then purchasing extra allocation may assist to avoid exceeding the original allocation and having to pay a penalty for overuse.

The whole community benefits from water trade as it allows water to be used where it is most valued and needed. Putting a dollar value on water also promotes efficiency and reduction of water wastage.

Water trade may help alleviate pressure on water resources in areas of high water demand. The goal for managing high demand zones is to bring the demand for water back towards sustainable limits in a way that has the least impact to the environment, businesses and the community. The community will be invited to get involved and help define the most appropriate strategy to achieve this goal.

What can and can't be done?

Trade of water licences and allocations is allowed subject to the principles in the Water Allocation Plan for the EMLR (EMLR water allocation plan) and the *Natural Resources Management Act 2004*.

All trades must be consistent with the principles in Sections 5 and 6 of the EMLR water allocation plan, which promote sustainable water use and minimise detrimental effects on water resources, other users or the environment. Trades where only the licence ownership (and not the location) changes are usually a simple administrative process.

Water can only be traded between the same resource types (e.g. surface water to surface water) and not between different resource types (e.g. surface water to underground water).

Water cannot be traded into a high demand zone (where demand exceeds the sustainable limit) however water may be traded within a high demand zone. Maps of high demand zones can be found on the SA Murray-Darling Basin Natural Resources Management Board website at www.naturalresources.sa.gov.au/high-demand-emlr.

Water may be traded from a high demand zone to a low demand zone. This is a preferable way to reduce high demand and may help to alleviate any future reductions to allocations (if required).

Surface water and watercourse water cannot be traded into the Angas, Bremer or Tookayerta catchments, but may be traded within each catchment.

Lower Angas Bremer flood allocations cannot be traded to a different management zone, and cannot be traded to a different location if the allocation provides water to a red gum swamp directly or indirectly.

Rollover and recharge allocations cannot be traded to a different location.

There are also EMLR water allocation plan principles that apply at a local scale to minimise impact on other water users and the environment.

Construction of new wells or dams, or dam enlargement requires a separate application (Water Affecting Activity permit or Development Approval) and is not automatically granted as part of the trade process.

How much does it cost?

The price of water licence or water allocation to be traded is negotiated between the buyer and the seller or their representatives. Application fees apply.

For information about applications forms and fees please ring the Department for Environment and Water (DEW) licensing office at Berri ph: 8595 2053 or visit <http://www.naturalresources.sa.gov.au/samurraydarlingbasin/water/permits-and-licenses>

Additional costs may apply for water brokers, conveyancers and other services.

Owning a water allocation also attracts an annual natural resources management (NRM) water levy. More information about the NRM water levy is available at www.naturalresources.sa.gov.au/samurraydarlingbasin/about-us/nrm-levies/nrm-water-levy.

What is the process?

The buyer and seller negotiate an in-principle agreement regarding the quantity of water to be traded and the price of the water. If you are having trouble finding a buyer or seller then a water broker could assist, or you may consider talking to other water users, or placing a notice in local newspaper, noticeboard or on social media.

The Department for Environment and Water is the approval authority for trades. Application forms and fees should be submitted to the DEW Berri licensing office. Applications are assessed against the trade rules in the EMLR water allocation plan and the *Natural Resources Management Act 2004*.

If approved, DEW will amend or issue a water licence to the buyer and the seller, or advise that the application has been refused and the reason for this.

Where can I get advice?

For information about trade, licences and allocations please call DEW licencing office at Berri Ph: 8595 2053

Water brokers may assist in connecting buyers and sellers and brokering agreements. You can search the internet for south Australian water brokers by typing water brokers, South Australian in to the search function.

For information about well construction permits go to www.environment.sa.gov.au/managing-natural-resources/water/planning/water-licences-and-permits/well-drilling

For information about water affecting activity permits go to www.naturalresources.sa.gov.au/samurraydarlingbasin/water/managing-water-resources/water-affecting-activities

Information on the price of recent water sales is available on Water Trading in South Australia section of the WaterConnect website at www.waterconnect.sa.gov.au/Systems/WTR/Pages/Default.aspx.

Information about EMLR Water Planning, including Managing High Demand, Securing Low Flows and a link to download the EMLR water allocation plan can be found at www.naturalresources.sa.gov.au/samurraydarlingbasin/water/water-allocation-plans/eastern-mount-lofty-ranges-wap

The NRM register contains information about ownership of all licences and allocations and can be searched by land property title. Go to the Water connect website at www.waterconnect.sa.gov.au/Systems/WLPR/Pages/Default.aspx

The DEW website has a range of useful information including water trading, application forms and fees for trades and Water Affecting Activity Permits. www.environment.sa.gov.au/topics/water



Lower Bremer River near Bletchley

For more information

Natural Resources Centre, Berri
South Australian Murray-Darling Basin

Water Licensing: 08 8595 2053

E: samdbenquiries@sa.gov.au

<http://www.naturalresources.sa.gov.au/high-demand-emlr>



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